

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Global Reseller Expedited Package Contracts 1
(MC2010-21)
Negotiated Service Agreement

Docket No. CP2012-21

PUBLIC REPRESENTATIVE COMMENTS

(May 8, 2012)

Introduction

In response to Order 1325,¹ the Public Representative hereby comments on the April 30, 2012 United States Postal Service Notice of a Functionally Equivalent Global Reseller Expedited Package (GREP) Negotiated Service Agreement (Notice).

The Public Representative has accessed and reviewed all public and nonpublic materials submitted by the United States Postal Service.

Discussion

The instant GREP contract allows the contract partner to resell Express Mail International and Priority Mail International at discounted prices to their own customers. Notice at 4. The financial workpapers filed under seal in conjunction with the Postal Service's Notice show that the contract is likely to meet the requirements of 39 U.S.C. 3633(a).

The Postal Service provides a list of over twenty differences between the instant contract and the baseline GREP contract from Docket No. CP2010-36. Notice at 4-6.

¹ Commission Order 1071, Notice and Order Concerning Addition of Priority Mail Contract 35 Negotiated Service Agreement to the Competitive Product List, December 20, 2011.

Many of the differences are minor, for example, the addition of copyright symbols throughout the contract. *Id.* One difference appears to be more substantial, the revision of prices in Article 7. *Id.* at 5. However, after review of the under seal materials, this difference does not appear to impact the functional equivalency of the contract to the baseline contract because the change in prices continue to meet the standards set in Governors' Decision 10-1.

Conclusion

Based on the Postal Service filing, it appears that this contract will comport with each of the requirements of 39 U.S.C. 3633(a) and 39 CFR 3015.7(c). For a competitive products pricing schedule not of general applicability,² the Postal Service must demonstrate that the contract will be in compliance with 39 U.S.C. 3633(a): It will not allow market dominant products to subsidize competitive products, it will ensure that each competitive product covers its attributable costs; and it will enable competitive products as a whole to cover their costs. The instant contract benefits the contract partner, the Postal Service, as well as the general public. The Public Representative recommends the approval of the instant contract.

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² See 39 CFR 3015.5.